



DEPARTMENT OF THE NAVY

NAVY ENVIRONMENTAL HEALTH CENTER
2510 WALMER AVENUE
NORFOLK, VIRGINIA 23513-2617

NAVENVIRHLTHCENINST 4200.1A
AS
DEC 15 2000

NAVENVIRHLTHCEN INSTRUCTION 4200.1A

Subj: GOVERNMENT-WIDE COMMERCIAL PURCHASE CARD PROGRAM

Ref: (a) NAVSUPINST 4200.94
(b) Federal Acquisition Regulation (FAR) Part 13
(c) Defense Federal Acquisition Regulation (DFAR) Part 213
(d) Navy Acquisition Procedures Supplement (NAPS) Part 5213

Encl: (1) NAVENVIRHLTHCEN Internal Operating Procedures For Use With The
Government-Wide Commercial Purchase Card
(2) List of Prohibited and Special Attention Items

1. Purpose. To provide guidance and direction for using the Government-Wide Commercial Purchase Card (GCPC) by Navy Environmental Health Center (NAVENVIRHLTHCEN) personnel. This instruction contains significant changes and should be read in its entirety.

2. Cancellation. NAVENVIRHLTHCENINST 4200.1

3. Scope. This instruction applies to the Navy Environmental Health Center, Norfolk and its subordinate activities.

4. Policy. It is this command's policy to use the GCPC to the maximum extent practicable within our procurement authority.

5. Background.

a. The Department of the Navy (DON) has issued a Task Order (#0003) under the GSA SMARTPAY Contract (GS-23F-98006) to obtain purchase card services from Citibank.

b. References (a) through (d) provide guidance for the various aspects of the acquisition process.

c. Enclosure (1) provides guidance on the appropriate use of the Government-Wide Commercial Purchase Card (GCPC) by NAVENVIRHLTHCEN personnel.

d. Enclosure (2) lists prohibited and special attention items.

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6. Action.

a. The Commanding Officer may delegate authority in writing to NAENVIRHLTHCEN personnel to make purchases and authorized payments using the purchase card.

b. The Director for Administration and Support shall be responsible for the overall management of the command's GCPC Program ensuring that all transactions comply with references (a) through (d), this instruction, the Government Services Administration (GSA) contract guide, and other applicable regulations.



D. M. SACK

Distribution: (NAENVIRHLTHCENINST 5215.2P)

LIST: I (Directors and Deputies)

V (All NAENVIRHLTHCEN Personnel)

VIII (NAENVIRHLTHCEN DET)

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**NAVY ENVIRONMENTAL HEALTH CENTER
INTERNAL OPERATING PROCEDURES
FOR THE GOVERNMENT-WIDE COMMERCIAL PURCHASE CARD**

1. General:

- a. The purchase card shall be used to purchase supplies and services in accordance with Federal Acquisition Regulations (FAR) Part 13, Defense Federal Acquisition Regulations (DFARS) Part 213, Navy Acquisition Procedures Supplement (NAPS) Part 5213, The General Services Administration (GSA) SMART PAY Contract (GS-23F-98006), NAVSUPINST 4200.94, this instruction and local operating procedures.
- b. The purchase card shall be used to buy and/or pay for all requirements under the micro-purchase threshold, which is currently \$2500.00.
- c. Purchase cardholders shall screen all requirements for their availability from the statutory sources. Those sources include FPI, the Javits-Wagner-O'Day (JWOD) program, and the Government Printing Office.
- d. Cardholders may not split requirements over the micro-purchase threshold (\$2,500) to avoid the competition requirements or break down requirements merely to make several purchase card transactions. Splitting requirements in that matter is an improper use of the purchase card. In addition, the cardholders must rotate micro-purchase requirements among qualified suppliers to the maximum extent practical.
- e. Purchase cards may only be issued to Government employees or members of the Armed Forces. It is DON policy that only Government employees or military members may be appointed contracting officers/purchase cardholders, delegated contracting authority or act as agents of the Government.
- f. Purchase cards shall only be used for authorized U.S. Government purchases. Intentional use of the GCPC for other than official Government business will be considered an attempt to commit fraud against the U.S. Government and may result in immediate cancellation of an individual's purchase card and further disciplinary action. The cardholder will be held personally liable to the Government for the amount of any non-Government transaction.

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Under 18 U.S.C. 287, unauthorized or improper use of the purchase card could result in a fine of not more than \$10,000 or imprisonment for not more than five years or both. Military members that misuse the purchase card may be subject to court martial under 10 U.S.C. 932, UCMJ Art. 132.

2. **Definitions:**

a. **Agency Program Coordinator (APC).** The individual designated by the Commanding Officer who shall have overall responsibility for the management, administration and day to day operations of the purchase card program at the activity.

b. **Approving Official (AO).** The individual responsible for reviewing and verifying the monthly purchase card statements of the cardholders under his/her purview. The AO must verify that all purchases were necessary and for official Government purposes in accordance with applicable directives.

c. **Billing Cycle.** The billing cycle is the 30-day billing period cardholders may use their purchase card. For DON the billing cycle ends on the 21st of the month.

d. **Billing Cycle Purchase Limit.** The spending limit assigned each cardholder's purchases and transactions with a given billing cycle.

e. **Certifying Officer.** The individual responsible for reviewing each cardholder's official use and if they were items allowed to be purchased in accordance with this instruction. If for any reason you question the purchase, it is your responsibility to talk with the cardholder. If he/she cannot satisfy you that the purchase was necessary and for official use, the cardholder must provide a credit voucher showing the item(s) have been returned for full credit or a personal check for the full amount of the purchase.

f. **Cardholder.** Any Government employee who is designated by the Commanding Officer or designee to be issued a purchase card or purchase card account. The purchase card bears the name/account number of this individual.

g. **Commonly Used Hazardous Materials (HAZMAT).** For the purpose of this instruction, commonly used HAZMAT means hazardous materials or products that are customarily sold to the general public to be used for non-Governmental purposes (commercial products) which are in the same size and packaging found commercially and subject to procedures found later in this instruction. Examples of those materials or products include those required on a routine basis to meet daily operational needs; such as lubricants, batteries, toner cartridges, detergents, etc.

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h. Contracting Officer. Government employees who have the authority to bind the Government to the extent of their delegated purchasing authority. Purchase cardholders are provided that authority by their commanding officer or APC in writing by the issuance of a Letter of Delegation or SF 1402 Contracting Officer's Warrant.

i. Credit Limit. The maximum dollar threshold assigned at the AO/billing level limiting the amount an account can have outstanding at any one time. The bank automatically sets the amount at three times the corresponding billing account 30-day limit.

j. Disputes. Instances where the transaction on the cardholder's statements do not agree with entries in the log or retained receipts. This may include circumstances where the cardholder did not make the transaction, the amount of the transaction is incorrect or the quality of service is an issue.

k. Purchase Card. The purchase card is the credit-card like purchase account established with the bank that enables properly authorized Government personnel to buy and pay for mission requirements.

l. Purchase Card Log. A manual or automated log on which the cardholder documents screening for mandatory Government sources and individual transactions using the purchase card. Entries in the purchase card log should be supported by internal command documentation. The purchase card documentation should provide an audit trail supporting the decision to use the card and any required special approvals that were obtained.

m. Monthly Cardholders Statement. The statement of charges forwarded to the cardholder at the end of the billing cycle detailing all of the charges during that period.

n. Monthly Billing Statement. The monthly billing statement is the official invoice for payment purposes which is provided to the AO. The billing statement identifies all of the purchase card transactions of his/her cardholders during a billing cycle.

o. Pay and Confirm. DON activities operating a purchase card program shall, as part of their financial management program, institute pay and confirm procedures. Pay and confirm procedures are used in instances where cardholders have been billed and have not received the items ordered. The cardholder shall pay the invoice in full in anticipation that the supplies will be received within the next billing cycle. If the supplies are not received within the next billing cycle, the cardholder will then dispute the item using established dispute procedures.

p. Services. For the purpose of this instruction, services are firm-fixed-priced (including unpriced orders with an established ceiling), non-personal, commercially available requirements in which we directly engage the time and effort of the contractor to perform a task. (e.g. repairs, maintenance, annual maintenance agreements, etc.)

q. Single Purchase Limit. The dollar threshold assigned to each cardholder for single purchase action.

r. Reconciliation. The process by which the cardholder/AO review their monthly statements, reconcile against available vendor receipts and purchase card log and authorize payment of those charges provided on the monthly statement.

s. Transaction Type. The transaction type is the method by which an order is placed when using the purchase card. Purchases may be made over-the-counter, over-the-phone or via the internet.

3. **Designation of Offices Under the GCPC Program:**

a. APC. The APC serves as the liaison between the command, Citibank and the GSA Contracting Officer. He/she oversees the GCPC program and establishes guidelines. Changes to the dollar limitations or authorized merchant codes must be submitted to Citibank by the APC. This person also serves as the focal point for coordination of the applications, issuance and destruction of cards, establishment of reports, administrative training and suspension for improper use.

b. Approving Official. The AO is responsible for reviewing the cardholder's monthly statement of account to ensure purchases are made in accordance with the FAR and agency regulations. The AO may also serve as liaison with the contacts listed below. The AO shall enforce the provisions of these procedures and initiate administrative and disciplinary procedures for misuse of the card in accordance with these procedures. The AO will normally be the cardholder's immediate supervisor.

c. Cardholder. The cardholder is the individual to whom a card is issued. The card bears the cardholder's name and may only be used by this individual to pay for authorized U. S. Government purchases. Prior to making purchases, the cardholder must receive a delegation of authority from the Commanding Officer. This delegation will specify the single purchase limit, the billing cycle purchase limit, and the transaction types authorized (over-the-counter, by telephone, or Internet).

d. Designated Billing Office. The Designated Billing Office is responsible for payment of the official invoice after certification by the Designated Billing Office Contact. The designated billing office is Defense Finance and Accounting Service, OPLOC - San Diego, 4181 Ruffin Road, San Diego, California 92123-1819.

e. Designated Billing Office Contact. The Designated Billing Office Contact is the person responsible for certifying the monthly invoice resulting from purchase/transactions of the Navy Environmental Health Center. He/she is responsible for reviewing and certifying the

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monthly purchase card invoice within five (5) days of receipt from the cardholder and forwarding it to the appropriate Operating Location or billing office

f. Comptroller. The Comptroller is responsible for managing command funding. The Comptroller and APC will work together to ensure the funds approval process is streamlined to the maximum extent practicable. In addition, the comptroller and APC must coordinate efforts to establish account limits for AOs and cardholders.

4. Establishing Local Accounts:

a. The command's APC is responsible for providing management and oversight for the command's GCPC Program. In addition, he/she is the command's POC for establishing purchase card accounts and for the Designated Billing Office.

(1) Prior to establishing purchase card accounts for the local command personnel the APC will ensure that the prospective cardholder has received proper training in:

- (a) Standards of conduct;
- (b) DON purchase card training (CD-ROM/classroom training/ etc.); and
- (c) Internal operating procedures.

(2) Personnel identified as purchase cardholders shall;

- (a) Provide a request to the APC (Identifying any required account limits);
- (b) Attend DON required training including training on local procedures (Contact APC for internal training requirements);
- (c) Obtain a Letter of Delegation or Contracting Officer's warrant (SF1402) from the APC.

b. Cardholder Account Limits. Use of the purchase card is subject to a single purchase limit, currently \$2,500, a monthly cardholder limit and a monthly office limit. The purpose of these dollar limits is as follows;

(1) Single Purchase Limit. The single purchase limit is a limitation on the purchase authority delegated to the purchase cardholder by the Commanding Officer. This dollar limit cannot be exceeded unless a revised delegation of authority is issued to the cardholder raising his/her limit.

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(2) Billing Cycle Purchase Limit. The billing cycle cardholder limit is the spending limit assigned the purchase cardholder's cumulative purchases in a billing cycle.

c. Billing Cycle Office Limit. The monthly billing cycle office limit is the limit assigned the AO for the cumulative totals of the purchase cardholders reporting to them.

5. Internal Processes:

a. Purchases Request Process. The purchase cardholders shall ensure that sufficient funds are committed by the financial manager and available to meet the purchase card action. Submit a signed requisition using NEHC Form 4401/1 to the Resource Management Directorate (Comptroller) for funding approval. Upon approval by the Comptroller, a serial number will be assigned to the requirement. A complete copy of the purchase documentation must be provided to the Resource Management Directorate and the Supply and Logistics Branch of the Administrative Support Directorate.

b. Screening. The purchase cardholders are required to screen all requirements from the statutory sources of supply (e.g., JWOD, FPI/UNICOR, NIB/NISH). Cardholders shall document the manual or automated purchase card log with evidence of screening performed. Any orders for repairs must have the acquisition costs documented to prove cost effectiveness of repair in lieu of replacement.

(1) Hazardous Materials. The cardholder shall obtain a copy of the Material Safety Data Sheet (MSDS) prior to award of any HAZMAT requirement and submit a copy of the MSDS along with a copy of the order documentation to the Industrial Hygiene Directorate, HAZMAT Department.

(2) Furniture. The Comptroller or his/her designee will review all furniture requests. Excess property listings and defense property disposal office holdings will be screened prior to procuring new items.

(3) Information Technology (IT). All requests for IT items must be processed by the Supply and Logistics Department.

(4) Books. All requests for books, documents, online database subscriptions, audio and videotapes, and journal subscriptions must be submitted to the library staff. If the request meets the criteria established for additions to the library collection and funding is available, library personnel will initiate the purchase through the appropriate supply source.

c. Solicitation and Award Procedures.

(1) Solicitation Procedures. The purchase cardholders are authorized to use the purchase card either over-the counter, over-the-phone or via the internet (APC can limit to one or authorize all). Quotations of price and delivery for mission requirements shall be obtained from contractors and documented in the manual or automated log. Solicitation information (price and delivery quotation) received from the contractor must be documented in writing. This can be accomplished on a Quotation Abstract Worksheet. Evaluate the price to determine if it is fair and reasonable; then proceed with award.

(2) Award Procedures. Purchase cardholders shall only award purchase card orders to responsible contractors who offer fair and reasonable prices. The cardholder should remind the vendor that his/her purchase card account may not be billed until after the material has been shipped or service provided. Back ordering partial quantities should be avoided. If an item must be back ordered or a partial quantity accepted the merchant must agree to only bill for the actual quantity shipped. In addition, all purchase card awards shall be documented on the purchase cardholders log (either manual or automated). Making an award with the purchase card may be accomplished as follows;

(a) Over the counter. The cardholder can go to the vendor's location or place of business to make the purchase.

(b) Over the phone. The cardholder can call the vendor and order the supplies. The contractor can then deliver the supplies or prepare the order for Government pickup if authorized.

(c) Via the internet. Cardholders may place orders via the internet. When purchasing/ordering via the internet, cardholders must ensure that appropriate account safeguarding measures are taken. User identification, authentication and encryption of data are important factors in safeguarding cardholder information. Cardholders should consider using a browser with automatic encryption capability (e.g. MS IE 4.X or NETSCAPE 4.X). The user should comply with the authentication and identification requirements (passwords, identification, PIN# etc.) required by the commercial vendor from whom the cardholder is acquiring the supplies.

d. Transportation Considerations When Using the Purchase Card

(1) Transportation Terms.

(a) Free-on-Board (FOB) Destination. FOB destination means the vendor pays the cost of transportation and includes it in the cost of the item. Cardholders should attempt to obtain FOB destination shipment terms.

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(2) Billing Cycle Purchase Limit. The billing cycle cardholder limit is the spending limit assigned the purchase cardholder's cumulative purchases in a billing cycle.

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(b) FOB Origin. FOB origin or pre-pay and add means the contractor bills for shipping and adds the cost as a separate line item. Cardholders should not accept FOB origin terms. In cases where the cardholders must accept FOB origin terms, any transportation charges will be paid from the procurement line of accounting.

(2) CONUS Shipments. When a contractor within CONUS is shipping material, the contractor should be advised to include the following on the shipping label:

(a) Complete MARK FOR address, including the address and departmental name for which the material is being procured;

(b) Purchase card order number or other reference number provided by the cardholder; and

(c) Merchants name and address.

(3) A shipping document or packing slip should be included in each shipment with the following information:

(a) Merchant's name and address;

(b) Date of Order;

(c) Purchase card order number or other reference number provided by the cardholder;

(d) Date of shipment;

(e) Itemized list of supplies furnished, including quantity; and

(f) Cardholder's name, and phone number.

e. Receipt and Acceptance Procedures.

(1) Purchase cardholders are responsible for verifying receipt of all transactions. All purchases must be checked in through the Receiving Branch of the Administration and Support Directorate, Logistics Department. All deliveries must be through the Receiving Branch of the Administration and Support Directorate, Logistics Department. For ease of reconciliation, cardholders should ensure that all items are delivered or picked up within the same billing cycle.

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(2) When the purchase cardholder is billed but does not receive the supplies or services at the time of the receipt of the official invoice, the cardholder must fully certify the invoice with the anticipation that confirmation of receipt will occur within the next billing cycle. If the supplies or services are not received within the next billing cycle the cardholder must dispute the item using established dispute procedures. The cardholder must also certify that the quantity and quality of the items furnished are in accordance with the agreement with the vendor. The cardholder must save all receipt documentation in order to properly reconcile the purchase card statement at the end of the billing cycle. The purchase card log or purchase file documentation must be annotated to indicate that proper receipt and acceptance has been accomplished. In addition, the APC, AOs and cardholders must maintain purchase-related records (e.g. purchase card logs, requisition, etc.) for a minimum of 3 years and financial records (e.g. invoices, statements, etc.) for 6 years and 3 months.

(3) Cardholders shall retain any documentation received from the vendor as this will later to be used to verify the transactions shown on the cardholder's statement. This may include a charge slip, cash register receipt, packing list, etc. If receipt documentation is not available, the cardholder must contact the end user, the Supply and Logistics Department or other persons responsible for receipt (e.g. MID, Plant Property Custodian, Library) to obtain verification that the supplies or services have been received.

f. Missing Documentation. If, for some reason the cardholder does not have documentation of the transaction to send to the AO, he/she must attach an explanation that includes a description of the item, the date purchased, the merchant's name and why there is no supporting documentation.

g. Reconciling Purchase Card Accounts.

(1) Purchase Cardholders. At the end of each billing cycle (the 21st of the month) purchase cardholders will receive his/her monthly statement electronically from CITIDIRECT and shall reconcile the transactions appearing on his/her monthly statements by verifying their accuracy against cardholder records. The cardholder shall review all information on the monthly statement, verifying any changes, credits, outstanding disputes or refunds within two (2) days of receipt and forward their electronic statement to the AO for review and certification. If the cardholder fails to review the monthly statement annotating any discrepancies, disputing improper charges, or signing and forwarding it to the AO or designated alternate within the two (2) day period, the AO or designated alternate shall presume that all charges are proper, reconcile the statement and forward it to the APC with required documentation. The presumption does not relieve the AO from reviewing for improper purchase card transactions and taking the appropriate action prior to forwarding the reconciled statement to the APC. The cardholder is ultimately responsible for purchase card transactions being proper and for notifying the AO of any information he/she has knowledge of that impacts monthly billing statement and certification statement and forward the package to his/her AO or designated alternate. If the cardholder is

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not available to verify their statement, the AO or designated alternate must review and certify the cardholder's monthly statement. The cardholder upon his/her return must review the monthly statement and resolve any discrepancies with the AO or the designated alternate AO.

(2) AO. AOs are responsible for ensuring that all purchases made by the cardholders within his/her cognizance were appropriate and the charges accurate. He/she must resolve all questionable purchases with the cardholder. In the event an unauthorized purchase is detected, the AO must notify the APC immediately. After review, the AO will electronically certify the cardholder's monthly statement of account and certification, and forward along with the original procurement documentation to the APC while maintaining a copy of the documentation in accordance with agency procedures.

(3) Designated Billing Office Contact. The Designated Billing Office Contact is responsible for certifying the monthly invoice resulting from the command's purchase/transactions. He/she is responsible for reviewing and certifying the monthly purchase card invoice within five (5) days of receipt from the cardholder and forwarding it to the appropriate OPLOC or billing office. As the certifying officer, the Designated Billing Office Contact is responsible for timely certification of the monthly invoice.

6. Billing Errors and Disputes:

a. Cardholders should attempt to resolve all discrepancies or billing errors with the local merchant first.

b. If a cardholder receives a monthly statement that lists a transaction for items that have not been received he/she should do the following;

(1) Under Pay and Confirm Procedures, pay the invoice in full in anticipation that the supplies will be received within the next billing cycle. If the supplies are not received, the purchase cardholder will dispute the item using established dispute procedures.

(2) If the charges are not authorized or items have not been shipped the purchase cardholder should attempt to obtain a replacement or correction of the item from the merchant as soon as possible. If the vendor refuses to replace or correct the defect or replace the item the cardholder must put the item in dispute.

c. If the items purchased are defective the cardholder should attempt to obtain a replacement or correction of the item from the merchant as soon as possible. If the vendor refuses to replace or correct the defect or replace the item, the cardholder must put the item in dispute.

7. **Restrictions of the Use of the Purchase Card:** (See Enclosure (2)).

8. **Unauthorized Uses of the Purchase Card:**

a. A cardholder who makes purchases or who uses the card in an unauthorized manner will be liable to the Government for the total amount of the unauthorized purchases made in connection with misuse or negligence.

b. Unauthorized use of the card also includes use of the card by anyone other than the cardholder identified on the front of the purchase card.

9. **Lost or Stolen Cards:**

a. **Telephone Notification.** If a purchase card is lost or stolen cardholder must contact Citibank immediately at: Citibank Customer Service – (800) 790-7206 to have the card deactivated.

b. **Written Notification.** In addition, by the end of the next working day, the cardholder must notify the APC and his/her AO. The notification shall include the following information.

- (1) the card number;
- (2) the cardholder's complete name;
- (3) the date and location of the loss;
- (4) If stolen, date reported to police and the date and time Citibank was notified;
- (5) any purchases made on the card the day the card was stolen;
- (6) any other pertinent information.

10. **Separation of Cardholder:** Upon separation from the command, the cardholder will notify his/her AO of the expected date of departure. In addition, prior to the final check-out from the command, the cardholder will surrender their purchase card to the APC. The APC will notify Citibank to have the account cancelled.

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11. **Card Security:**

a. Regardless of the method in which the cardholder uses their purchase card, the purchase cardholders are responsible for the security of their purchase card and account numbers. The card is printed with the name of the employee who is the official Government representative authorized to use the purchase card. Only that person may use the card.

b. It is the cardholder's responsibility to safeguard the purchase card and the purchase card account number at all times. The cardholder must not allow anyone unauthorized, to use or gain access to his or her card or account number.

12. **Standards of Conduct/Ethics Training:**

a. All AOs and purchase cardholders will receive ethics and standards of conduct training in accordance with command policy prior to assuming their duties with the command's purchase card program.

b. All AOs and purchase cardholders hold a public trust, their conduct must meet the highest ethical standard. Cardholders shall only use their purchase cards to obtain authorized supplies and services that are for official Government business.

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**LIST OF PROHIBITED AND
SPECIAL ATTENTION ITEMS**

This information applies to Department of the Navy Agency Program Coordinators, Approving Officials and Purchase Cardholders with established purchase card programs. For a full explanation, and/or background information on prohibitions referenced in this enclosure, refer to the NAVSUPINST 4200.85C. Not all of the prohibitions found in this enclosure require special approvals. Some may be procured using traditional purchase methods (e.g. purchase orders, BPA calls, etc) and paid for using the purchase card. Detailed procedures for using the purchase card as a method of payment may be found in Chapter 4 of NAVSUPINST 4200.94

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**LIST OF PROHIBITED AND SPECIAL ATTENTION ITEMS RELATED TO
PURCHASE CARD BUYS**

1. **Advance Payments.** **General rule:** Except for requirements such as subscriptions for publications (i.e. Navy Times, Federal Contracts Reporter, Commercial Clearing House Inc, etc.) and post office box rentals advance payments are prohibited.

2. **Advertising.** **General rule:** Unless specific approvals have been obtained advertising contract actions are not authorized in accordance with the Navy Acquisition Procedures Supplement (NAPS).

Exception: The Chief of Naval Personnel has authorized an increase from \$1,000 to \$2,500 for the specific media advertising purchase limit for Commanding Officers of Navy Recruiting Districts to commensurate with the current micro-purchase threshold. This authority can not be redelegated and each advertisement is conditioned upon the use of a properly executed DD Form 1535.

3. **Asbestos and Asbestos-Containing Materials.** **General rule:** Purchase cardholders are not authorized to purchase asbestos or asbestos-containing materials.

4. **Black Oxide Coated Brass Threaded Fasteners.** **General rule:** Purchase cardholders are not authorized to procure brass or copper alloy fasteners coated with black oxide.

For information regarding this prohibition contact:
Mr. Scott Stanko, Naval Inventory Control Point, Code 0541, at
717-605-1361; DSN 430-1361 or via Internet:
scott_a_stanko@icpmech.navy.mil.

5. **Long-Term Rental or Lease of Buildings and/or Land.** **General rule:** Purchase cardholders are prohibited from entering into long-term rentals or leases for buildings and/or land.

6. **Business Cards.** **General rule:** Flag Officers, member of the SES and general officers may authorize the printing of business cards limited to using existing software and agency-purchased stock for those positions that require business cards in the performance of official duties.

7. **Cash Advances.** **General rule:** Purchase cardholders are prohibited from using their purchase cards to obtain cash advances.

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8. **Christmas and Other Seasonal Decorations.** **General rule:** Seasonal decorations may be acquired using the purchase card provided local customs and traditions are observed. Purchase cardholders are not authorized to buy Christmas cards.

9. **Coffee Pots, Coffee, Refreshments.** **General rule:** Unless the purchase of coffee pots, coffee, or refreshments is for an authorized mess, as discussed in NAVSUP Publication 486 Vol-1, Ch-1 to Rev 3, and BUPERINST 1710.13 the purchase of these items are prohibited. Purchase cardholders are also prohibited from buying refreshments for other government employees.

Exceptions: The use of Official Representation Funds for official entertainment and Center of Influence events involving Navy recruiters are exceptions to this rule. In addition, Navy recruiters are authorized to use the purchase card to buy meals for recruiting applicants as an out of pocket expense.

10. **Purchase of Commercial Vehicles.** **General rule:** Purchase cardholders shall not use their cards to purchase commercial vehicles.

11. **RENTAL/LEASE of Commercial or GSA Vehicles (Without Drivers).** **General rule:** Purchase cardholders are not authorized to use their purchase cards to rent/lease commercial or GSA vehicles.

12. **Employee Identification Tags.** **General rule:** Unless the requiring activity/command determines that use of the identification tags are necessary and in support of mission requirements, activities may not use appropriated funds to purchase employee identification tags.

13. **Federal Information Processing Resources/Year 2000 (Y2K) Project.** **General rule:** Purchase cardholders should ensure all procurements of IT are Y2K compliant.

14. **Fireworks Display.** **General rule:** Purchase cardholders may not use appropriated funds to buy fireworks for on ground displays.

15. **Fuel, Oil, Services, Maintenance and Repairs.** **General rule:** Purchase cardholders are not authorized to purchase fuel, oil, services, maintenance and repairs of Interagency Fleet Management System and GSA Fleet Management Programs (i.e. repair of GSA leased vehicles).

16. **HAZMAT and Hazardous Waste Disposal.** **General rule:** Except for commonly-used hazardous material the purchase of HAZMAT by cardholders is prohibited.

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17. **Incentive Music and Equipment.** **General rule:** Except for specifically programmed music, the purchase of music and equipment for broadcasting (inc. radios, automatic record players or phonographic records) for entertainment purposes is generally not authorized.

Exception: Specifically programmed music may be purchased based on a written determination by the commanding officer describing how the acquisition would improve morale, benefit the command, etc., and thereby qualify as a necessary expense under the necessary expense rules. This prohibition also does not preclude the expenditure of appropriated funds for the purchase of a public address system required for intra-station communication.

18. **Lodging and Meals.** **General rule:** Purchase cardholders are prohibited from using their purchase cards for the payment of lodging and meals for employees on temporary duty.

Exception: Certain reserve activities are authorized to buy meals for Naval reservists during drill activities.

19. **Luggage.** **General rule:** The purchase of luggage for employees/service members to carry personal belongings while on travel orders is generally not authorized.

Exception: Seabags issued to service members and briefcases, etc., furnished for the express purpose of carrying official documents associated with the duties of the service member or employee.

20. **Medical and Dental Care From Civilian Non-Federal Sources.** **General rule:** Purchase cardholders shall not use their cards for payment of medical and dental services.

21. **Membership Dues.** **General rule:** Except for membership dues which solely benefit the agency or activity the purchase of club, association, organization and other related memberships are prohibited.

Exception: The use of appropriated funds for membership dues of an activity or agency is permissible if the membership contributes to the fulfillment of the mission of the activity or agency.

22. **Ozone Depleting Substances (ODS)** **General rule:** Purchase cardholders are not authorized to purchase ODS materials.

Exception: Contracting officer's may use their purchase card as a method of payment provided guidance in the NAPS is strictly adhered to.

23. **Personal Services.** **General rule:** Unless you have statutory authority, purchase cardholders should not contract for personal services using the purchase card.
24. **Pesticides.** **General rule:** Unless prior approvals are obtained from cognizant Pest Management Consultant at the appropriate NAVFAC division, purchase cardholders are not authorized to contract for purchase of pesticides.
25. **Plaques, Ashtrays, Paperweights and other Mementos As Give-Away Items.**
General rule: The use of appropriated funds to buy give-away items such as plaques, cuff links, hats, T-shirts, license plate covers, bracelets, ashtrays, Christmas cards, paper-weights, cigarette lighters, novelty trash cans, key chains and similar items are generally prohibited.
- Exception:** The purchase of give-away items in support of employee recognition programs may be authorized if accomplished in accordance with agency policy.
26. **Printing and Duplication.** **General rule:** Purchase cardholders are prohibited from buying printing or duplication services from agencies other than DAPS.
27. **Purchase from Government Employees or Businesses Owned or Controlled By Government Employees.** **General rule:** Purchases from government employees (military or civilian) or from business organizations substantially owned or controlled by government employees are generally prohibited.
28. **Reprographic Equipment.** **General rule:** The purchase/lease/rental/trial/replacement or change in rental or lease plan of reprographic equipment is not authorized unless the requestor has complied with the requirements of the Navy Reprographic Equipment Program. The requestor must obtain written approval from the cognizant DAPS for all shore copying equipment with speeds of 71 or more copies per minute. (Examples of reprographic equipment are; copiers and high speed copiers, Diazo process equipment, laser printers, and duplicating equipment).
29. **Sensitive Compartmented Information In Contracts.** **General rule:** Purchase cardholders are not authorized to enter into negotiations that will include requirements for contractor access to Sensitive Compartmented Information unless the customer has staffed the requirement through Commander, Office of Naval Intelligence, Code ONI-532.
30. **Shipboard Habitability Equipment, Including Furniture, Laundry/Dry Cleaning and Food Service Equipment.** **General rule:** Except for furniture, laundry, dry cleaning, and food service equipment listed in the following catalogs, purchase cardholders are prohibited from purchasing of these items.

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Furniture equipment - 59600-AD-GTP-010, U.S. Navy Shipboard Furniture Catalog with applicable changes.

Laundry/dry cleaning equipment - 56152-BI-CAT-010, Navy Laundry and Dry Cleaning Catalog with applicable changes.

Food service equipment - 56161-Q5-CAT-010, The Shipboard Food Service Equipment Catalog with applicable changes.

31. **Transportation, Purchase of.** **General rule:** The purchase card can not be used to pay for transportation charges.

32. **Travel or Travel Related Expenses.** **General rule:** The purchase card can not be used to pay for travel or travel related expenses (i.e. expenses associated with official travel including transportation, lodging, or meals).

33. **Uniform Items.** **General rule:** Cardholders are not authorized to use appropriated funds to purchase uniform items.

34. **Visual Information (VI) Equipment and Material.** **General rule:** Per OPNAVINST 5290.1A, Acquisition of professional VI equipment by non-VI activities or personnel is prohibited. Naval Media Center (NMC) (formerly Naval Imaging Command) is the sole authority for contracting for visual information within the Navy. The POC and policy officer for the Navy Annual VI Production Program administered by Chief of Naval Operations (CNO) (N09C4) can be reached by calling 202-433-3790 or DSN 288-3790.

35. **Visual Information-Audiovisual Production Including Interactive Video Acquisition.** **General rule:** Unless approval has been granted from NMC the acquisition of Audiovisual production including interactive video in the federal Government is prohibited, regardless of cost or application.

Exceptions: DON activities may be approved by CNO (N09C4) on a case-by-case basis. Requests for exceptions to this policy will require submission of the approved instructional system development analysis. For major claimant Visual Information Management Offices contact: Visual Information Production Policy Officer, CNO (N09C4) at 202-433-2141; DSN 288-2141.

36. **Visual Information-Acquisition of Commercial Off-The-Shelf Visual Information Productions.** **General rule:** Unless prior approval from Visual Information Management Office is obtained purchase cardholders are not authorized to procure commercial off-the-shelf VI production. For a list of VI off-the-shelf productions visit the Defense Automated Visual

Information System/Defense Instructional Technology Information System (DAVIS/DITIS) located on the Naval Media Centers website: <http://www.mediacen.navy.mil/>.

Exceptions: Justification must be submitted to contracting officials in accordance with regulations of the Major Claimant Visual Information Management Office. For major claimant Visual Information Management Offices contact: Visual Information Production Policy Officer, CNO (N09C4) at 202-433-2141; DSN 288-2141.

37. **Withdrawal of Tax-free Ethyl and Specifically Denatured Alcohol.** **General rule:** The purchase of tax-free ethyl and specifically denatured alcohol is not authorized unless a permit from the bureau of Alcohol, Tobacco and Firearms has been issued.